

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	<b>TRANSMITTAL NUMBER</b> AT-92-29	<b>STATE</b> TENNESSEE
	<b>PROGRAM IDENTIFICATION</b> TITLE XIX	
	<b>PROPOSED EFFECTIVE DATE</b>  July 1, 1992	

TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN      ☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN      ☐ AMENDMENT

COMPLETE NEXT 4 BLOCKS IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

FEDERAL REGULATION CITATION

42 CFR 447

NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, page 3 of 13.

NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT

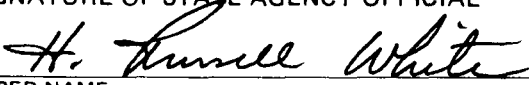
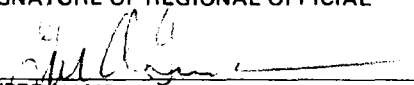
Attachment 4.19A, page 3 of 13.

SUBJECT OF AMENDMENT

Methods and Standards for Establishing Payment Rates for Acute Care Inpatient Hospital Services.

GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT      ☐ OTHER, AS SPECIFIED:  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

<b>SIGNATURE OF STATE AGENCY OFFICIAL</b> 	<b>FOR REGIONAL OFFICE USE ONLY</b>	
	<b>DATE RECEIVED</b> September 22, 1992	<b>DATE APPROVED</b> November 13, 2000
<b>TYPED NAME:</b>  H. Russell White	<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
<b>TITLE:</b>  Commissioner	<b>EFFECTIVE DATE OF APPROVED MATERIAL</b> July 1, 1992	
<b>DATE:</b>  September 11, 1992	<b>SIGNATURE OF REGIONAL OFFICIAL</b> 	
<b>RETURN TO:</b>  Tennessee Department of Health Bureau of Medicaid 729 Church Street Nashville, Tennessee 37247-6501  Attn: George Woods	<b>TYPED NAME:</b> Eugene A. Grasser	
	<b>TITLE:</b> Associate Regional Administrator Division of Medicaid and State Operations	
	<b>REMARKS:</b>	

- B. Beginning July 1, 1987 the prospective payment will be made as a rate per inpatient day for the operating component and a quarterly lump-sum payment for the pass-through, disproportionate share, and indirect education adjustment.

Beginning January 1, 1988 the prospective payment will be made as a rate per inpatient day for the operating component and a monthly lump-sum payment for the pass-through, disproportionate share, and indirect education adjustment.

Beginning July 1, 1989, except for inpatient hospital days involving approved organ transplants, the first twenty (20) days per fiscal year will be reimbursed at 100 percent of the operating component plus 100 percent of the capital, direct and indirect education, and Medicaid disproportionate share adjustment (MDSA) components. For medically necessary days in excess of twenty (20) per fiscal year, reimbursement will be made at 60 percent of the operating component plus 100 percent of the capital, direct and indirect education, and MDSA components. Approved inpatient days involving organ transplants will be reimbursed at 100 percent of the operating component plus 100 percent of the capital, direct and indirect education, and MDSA components. Admission and stays involving organ transplants that span fiscal years will be reimbursed as if the entire stay had occurred during the first fiscal year.

- C. Adjustments to Base Period Costs - It may be necessary to adjust base year cost reports to make the base period costs comparable to inpatient costs incurred in the prospective period, such as costs to be incurred by hospitals required to enter the Social Security system beginning January 1, 1984. Therefore, hospitals submitting form HCFA-1008 to their Medicare intermediary should send a copy of this form to the Comptroller of the Treasury. For hospitals which do not submit form HCFA-1008, appropriate adjustments will be made based on the best available information.

D. Pass Through Component

- (1) Each facility's initial prospective rate will be based on a base year cost report and will include a pass-through component consisting of the portion of capital costs and medical education costs, which is attributable to patients determined eligible for Medicaid by the State of Tennessee. The pass through component may vary from year to year depending on each facility's actual capital costs and medical education costs and will not be computed until the facility's cost report is received. Effective July 1, 1992, The Services Tax will be an allowable cost included in the pass through component.

TN No. 92-29

Supersedes

TN No. 91-25

Approval Date NOV 13 2000

Effective Date 7/1/92

D2041171